

February, 2006

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Customer Solutions

Small/Medium Business

Internet and Data
Switched & Transport
News & Views

Bundled Solutions
National Operations Center

Case Studies/Application Briefs
Case Study Videos

By Application

► By Business Type

By Industry

From local phone service to bundled packages of voice and data services, Time Warner Telecom delivers the solutions that meets the needs of small and growing businesses.

Internet & Data

Co-location Services
Dedicated Internet Access
Dedicated Web Hosting
Native LAN
Storage Transport Services
Switched Native Lan

Switched & Transport

Business Voice Services
Dedicated High Capacity Services
Digital Trunks
ISDN PRI
Long Distance

Bundled Solutions

VersiPak



News Release

For Information:
SBC Communications Inc.
Steve Lee
210.351.2105
steve.lee@sbc.com

AT&T Corp.
Joyce Van Duzer
908-234-6846
jvanduzer@att.com

Time Warner Telecom
Carole Curtin
303-566-1000
ir@twtelecom.com

Time Warner Telecom, AT&T, SBC Extend Long-Term Service Agreement

*Time Warner Telecom to deliver "last-mile" network services to merged companies;
agreement provides businesses the benefits of alternative communications choices*

San Antonio, Bedminster, N.J., and Littleton, **Colo.**, June 1, 2005 – Time Warner Telecom (Nasdaq: TWTC), SBC Communications Inc. (NYSE: SBC) and AT&T Corp. (NYSE: T) today announced the extension of a long-term service agreement under which Time Warner Telecom would provide special access and other "last-mile" network services to the companies nationwide through 2010. The deal, effective upon completion of the SBC and AT&T merger, demonstrates the parties' commitment to promoting viable competition in the telecommunications industry and to delivering businesses the benefits of alternative communications choices.

"This agreement enables SBC, post-merger, to become a more effective out-of-region provider, thereby enhancing competition in the industry nationwide," said Mark Keiffer, senior vice president-business marketing for SBC. "SBC is pleased to build upon the long-term business relationship AT&T has had with Time Warner Telecom."

This new commercial agreement would extend a current contract between Time Warner Telecom and AT&T through Dec. 31, 2010, for the combined AT&T and SBC once the merger is completed. AT&T entered into a long-term commercial agreement with Time Warner Telecom on Jan. 1, 2001, buying local network access primarily to provide private-line and special-access services to businesses nationwide, and for local termination of long-distance and international calls.

"This agreement ensures that we will continue our valued business relationship with AT&T post-merger, and that we will be able to include SBC in that relationship, allowing us to be a viable competitor of and supplier to the merged entity," said John Blount, executive vice president-field operations for Time Warner Telecom. "We are excited about the opportunity to be a key provider for the combined entity."

"Time Warner Telecom has been a valuable supplier of 'last-mile' network services used to connect our corporate customers to the AT&T network in many markets around the country," said Regina Egea, AT&T vice president of global access strategy and bandwidth product management. "We're very pleased this relationship will continue once our merger with SBC is completed."

Completion of the SBC-AT&T merger is expected by the end of this year or in early 2006, following all necessary regulatory and governmental approvals.

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Time Warner Telecom, AT&T, SBC agreement

In a separate agreement, SBC will provide Time Warner Telecom with special access and other "last-mile" network services in SBC's traditional in-region territory for five years. The deal, which will take effect June 2, 2005, strengthens Time Warner Telecom's ability to compete effectively for the nationwide business market.

SBC Communications Inc. is a Fortune 50 company whose subsidiaries, operating under the SBC brand, provide a full range of voice, data, networking, e-business, directory publishing and advertising, and related services to businesses, consumers and other telecommunications providers. SBC holds a 60 percent ownership interest in Cingular Wireless, which serves more than 50 million wireless customers. SBC companies provide high-speed DSL Internet access lines to more American consumers than any other provider and are among the nation's leading providers of Internet services. SBC companies also now offer satellite TV service. Additional information about SBC and SBC products and services is available at www.sbc.com.

For more than 125 years, AT&T (NYSE "T") has been known for unparalleled quality and reliability in communications. Backed by the research and development capabilities of AT&T Labs, the company is a global leader in local, long distance, Internet and transaction-based voice and data services.

Time Warner Telecom, headquartered in Littleton, Colo., provides managed network services, specializing in Ethernet and transport data networking, Internet access, local and long distance voice, VoIP and security, to enterprise organizations and communications services companies throughout the U.S. As a leading provider of integrated and converged network solutions, Time Warner Telecom delivers customers overall economic value, quality, service, and improved business productivity. With nearly 20,000 route miles of its own local and regional fiber networks, a national IP backbone with 10 Gbps capacity, and nearly 5,300 buildings connected directly to its fiber networks, Time Warner Telecom provides the local "last mile" of reliable communications services to customers. Please visit www.twtelecom.com for more information.

About the Proposed SBC/AT&T Merger:

In connection with the proposed transaction, SBC Communications Inc. ("SBC") filed a registration statement, including a proxy statement of AT&T Corp., with the Securities and Exchange Commission (the "SEC") on March 11, 2005 (File No. 333-123283). Investors are urged to read the registration and proxy statement (including all amendments and supplements to it) because it contains important information. Investors may obtain free copies of the registration and proxy statement, as well as other filings containing information about SBC and AT&T Corp., without charge, at the SEC's Internet site (www.sec.gov). These documents may also be obtained for free from SBC's Investor Relations web site (www.sbc.com/investor_relations) or by directing a request to SBC Communications Inc., Stockholder Services, 175 E. Houston, San Antonio, Texas 78205. Copies of AT&T Corp.'s filings may be accessed and downloaded for free at the AT&T Investor Relations Web Site (www.att.com/ir/sec) or by directing a request to AT&T Corp., Investor Relations, One AT&T Way, Bedminster, New Jersey 07921.

SBC, AT&T Corp. and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies from AT&T shareholders in respect of the proposed transaction. Information regarding SBC's directors and executive officers is available in SBC's proxy statement for its 2005 annual meeting of stockholders, dated March 11, 2005, and information regarding AT&T Corp.'s directors and executive officers is available in the registration and proxy statement. Additional information regarding the interests of such potential participants is included in the registration and proxy statement and other relevant documents filed with the SEC.

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Time Warner Telecom, AT&T, SBC agreement/add two

Cautionary Language Concerning Forward-Looking Statements;

This document contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act. Forward-looking statements are statements that are not historical facts and are generally identified by the words "expects", "anticipates", "believes", "intends", "estimates" and similar expressions.

ATBT-SBC: These statements include, but are not limited to, financial projections and estimates and their underlying assumptions, statements regarding the benefits of the business combination transaction involving ATBT and SBC, including future financial and operating results and the plans, objectives, expectations and intentions of the combined. Such statements are based upon the current beliefs and expectations of the managements of ATBT and SBC and are subject to significant risks and uncertainties (many of which are difficult to predict and are generally beyond the control of ATBT and SBC) that may cause actual results to differ materially from those set forth in, or implied by, the forward-looking statements.

The following factors, among others, could cause actual results to differ materially from those set forth in the forward-looking Statements: the ability to obtain governmental approvals of the transaction on the proposed terms and schedule; the failure of ATBT shareholders to approve the transaction; the risk that the businesses will not be integrated successfully; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; competition and its effect on pricing, spending, third-party relationships and revenues. Additional factors that may affect future results are contained in SBC's and AT&T's filings with SEC, which are available at the SEC's Web site <http://www.sec.gov>. Other than as required by applicable law, ATBT and SBC disclaim any obligation to update and revise statements contained in this news release based on new information or otherwise.

Time Warner Telecom: These statements include, but are not limited to, the benefits and impacts of the agreements described in this release and Time Warner Telecom's continued relationship with AT&T/SBC. Such statements are based upon the current beliefs and expectations of the management Time Warner Telecom and are subject to significant risks and uncertainties (many of which are difficult to predict and are generally beyond the control of Time Warner Telecom) that may cause actual results to differ materially from those set forth in, or implied by, the forward-looking statements. Important factors that could cause actual results to vary materially from those set forth in the forward-looking statements include the failure of AT&T/SBC to consummate the planned merger, unforeseen technological changes in the industry, future consolidation in the industry and economic downturns, as well as the Risk Factors set for the in Time Warner Telecom's Annual Report on Form 10-K for the fiscal year ended December 31, 2004. Time Warner Telecom undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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FOR MORE INFORMATION CONTACT:

Bob Meldrum
Time Warner Telecom
(303) 566-1354
email: bob.meldrum@twtelecom.com

**Time Warner Telecom Launches VoIP-Based Business
Solutions Over Metro Ethernet**

- Leverages the Company's industry-leading metro Ethernet platform*
- First services available in 21 markets; works with existing customer PBX equipment*
- VoIP VPN delivers unlimited long distance for all business customers, site to site*

MIAMI — February 23, 2005 — Time Warner Telecom (NASDAQ: TWTC), a leading provider of managed voice and data networking solutions for businesses, today announced its VoIP-based business solutions strategy and new service offerings at the Internet Telephony Conference and Expo in Miami.

Time Warner Telecom is launching its business-class VoIP solution suite, called TW Telecom *ONE SOLUTION*, to business customers in 21 initial markets. These services are now available in: Atlanta; Albuquerque, N.M.; Austin, Texas; Binghamton, N.Y.; Charlotte, N.C.; Cincinnati; Columbus, Ohio; Dallas; Denver; Greensboro, N.C.; Indianapolis; Memphis, Tenn.; Milwaukee; Minneapolis; New York City; Orlando, Fla.; Portland, Ore.; Raleigh, N.C.; San Antonio, Texas; San Diego; Tampa, Fla. Other Time Warner Telecom markets will have TW Telecom *ONE SOLUTION* business-class VoIP-based solutions available later this year.

“Our strategic approach to this technology may differ slightly from other service providers, but it is consistent with how we have built our networks, solutions and customer care for businesses,” said Michael A. Rouleau, senior vice president – Strategy and Business Development for Time Warner Telecom. “Our strategy is to layer VoIP-based business-class solutions on our robust metro Ethernet platform. This leverages our network strengths and relationships with customers to meet their mission-critical voice needs. Our industry leadership position in data and IP enables new applications, like VoIP-based services, that work on time, all the time.

“The burning question in the minds of customers is not, what *technology*, but what *solution*, will help me win in a very competitive marketplace? How the industry takes technologies, like VoIP, and crafts them into real solutions that deliver real benefits for customers, is what separates the contenders from the pretenders. As more and more

businesses converge their voice and data networks, aligning with the right service provider is becoming even more critical,” Rouleau added.

The first phase of VoIP-based products offered under TW Telecom *ONE SOLUTION*, provides solutions for PBX customers. These products include: TW Telecom ONE CONNECT, a VoIP trunking solution; TW Telecom ONE REACH, an IP FX virtual numbering service; and TW Telecom ONE FORUM, a conferencing solution. In concert with this VoIP-based business strategy launch, Time Warner Telecom is offering free VoIP VPN service to all its site-to-site customers in the 44 markets it serves.

“These VoIP-based products can integrate quickly and seamlessly over our packet infrastructure,” said Rouleau. “This gives customers the ability to converge their disparate voice and data networks onto one common access infrastructure.”

These product solutions improve the flexibility of a customer’s voice network, while lowering its overall network and support costs by as much as 40 percent.

TW Telecom *ONE SOLUTION* delivers the convergence, simplicity, scalability and flexibility that enterprises demand of a carrier-class VoIP provider. This translates into bottom-line efficiencies and cost savings for businesses today and a platform for next generation services tomorrow.

Analysts have called Time Warner Telecom’s metro Ethernet solutions suite one of the most comprehensive and competitive in the industry with market leadership position in network reach and breadth of services offered. Since early 2003, Time Warner Telecom has delivered its metro Ethernet services, called Native LAN, to more than 1,250 of its medium and large customers.

“Our business is about delivering one network.. .one voice.. .one solution to customers,” Rouleau added.

About Time Warner Telecom

Time Warner Telecom Inc., headquartered in Littleton, Colo., is a leading provider of managed voice and data networking solutions to a wide array of businesses and organizations. One of the country’s premier competitive telecom carriers, Time Warner Telecom integrates data, dedicated Internet access, and local and long distance voice services for long distance carriers, wireless communications companies, incumbent local exchange carriers, and enterprises doing business in healthcare, finance, higher education, manufacturing, and hospitality industries, as well as for military and state and local government organizations. Time Warner Telecom serves the needs of businesses in 22 states and 44 U.S. metropolitan areas that require telecommunications intensive services. Please visit www.twtelecom.com for more information.



CONTACTS:

Investor Relations:

Carole Curtin
carole.curtin@twtelecom.com
303 566-1000

Media Relations:

Bob Meldrum
bob.meldmm@twtelecom.com
303 566-1354

Time Warner Telecom Reports Strong Fourth Quarter 2006 Results

Grew quarterly revenue 29% year over year

*Delivered impressive results driven by strong organic growth
and the acquisition of Xspedius Communications, LLC ("Xspedius")*

LITTLETON, Colo. – February 6, 2007 – Time Warner Telecom Inc. (NASDAQ: TWTC), a leading provider of managed voice and data networking solutions for business customers, today announced its fourth quarter 2006 financial results, including \$238.8 million of revenue, \$80.2 million in Modified EBITDA¹ ("M-EBITDA") and a net loss of \$24.8 million. For the year ended December 31, 2006, the Company reported \$812.4 million of revenue, \$286.0 million of M-EBITDA, and a net loss of \$98.8 million.

"This was an incredibly strong year for the Company," said Larissa Herda, Time Warner Telecom's Chairman, CEO and President. "Our organic results including revenue growth, M-EBITDA, margins, cash flow and customer growth were all impressive. We successfully executed a strategic acquisition, and accelerated free cash flow through accretive refinancing activities while maintaining our financial flexibility. We leveraged the positive momentum of our business to facilitate two equity offerings, which resulted in us becoming a non-controlled company, eliminating our Class B super-voting shares. In addition, we continued to invest in the business to focus on delivering complex solutions and serving large customer opportunities, all positioned to capture greater market share and grow revenue."

Highlights for the Quarter

For the quarter ending December 31, 2006, the Company –

- Grew total revenue 29% year over year and 22% sequentially
-- Included organic growth² of 9% year over year and 3% sequentially
- Grew enterprise revenue 43% year over year, and 29% sequentially
-- Included organic growth of 16% year over year and 5% sequentially
- Grew data and Internet revenue 40% year over year and 16% sequentially
-- Included organic growth of 30% year over year and 8% sequentially
- Produced \$80.2 million of M-EBITDA, and 34% M-EBITDA margin
- Delivered \$5.9 million of levered free cash flow⁶ for the quarter

Acquisition and Integration of Xspedius (“Acquired Operations”⁴)

On October 31, 2006 the Company completed its strategic acquisition of Xspedius. The Company paid \$216 million in cash and issued 18.2 million Class A common shares. The Company achieved the following integration milestones in the first 60 days:

- Consolidated sales and marketing management, including the regional sales structure, field operations and field engineering
- Integrated acquired IP backbone into the Company’s nationwide network
- Integrated human resource and financial reporting systems and launched a consolidated view of critical customer information

“To optimize the value out of our acquisition we are putting an intense focus toward fully integrating our operations,” said Mark Peters, Time Warner Telecom’s Executive Vice President and Chief Financial Officer. “We are pleased with our integration accomplishments this quarter. As expected, we will make integration expenditures over the next 12 to 16 months, weighted more heavily earlier in the integration process, with cost synergies to be realized later in the process. Accordingly, we expect the lower margins of the acquired operations and the related integration costs will impact our consolidated margins until we realize the expected cost synergies.” The Company anticipates \$15 to \$20 million of expenses, and \$20 to \$25 million in capital expenditures related to the integration process in 2007. The Company also expects margins to be impacted by regular first quarter merit increases to employee compensation, the resetting of payroll taxes, and its re-branding initiative.

Year over Year Results –Fourth Quarter 2006 compared to Fourth Quarter 2005

Revenue

Quarterly revenue was \$238.8 million for the current quarter, as compared to \$184.5 million for the fourth quarter of 2005, an increase of \$54.3 million, or 29%. This included revenue from core operations³ of \$201.6 million which represented a 9% growth over the same period last year. The primary components of the change in revenue included:

- \$44.6 million increase in revenue from enterprise customers, which included the impact of the acquired operations and a \$17.0 million increase from core operations
- \$8.5 million increase in revenue from carriers, which included the impact of the acquired operations and a \$.7 million increase from core operations

By product line, the percentage change in revenue year over year was as follows:

- 40% increase for data and Internet services, which included the impact of the acquired operations and strong organic growth. Core operations included 30% organic growth due primarily to success with Ethernet and IP-based product sales
- 58% increase for voice services⁸, which included the impact of the acquired operations and strong organic growth. Core operations included 8% organic growth due primarily to growth in bundled voice products

- 12% increase for network services⁹ due to the acquired operations. Core operations included 1% organic growth
- 5% increase in Inter-carrier Compensation primarily related to the acquired operations. Core operations included an 11% decrease from core operations due to fluctuations in dispute settlements

Monthly revenue churn was 1.1% and 1.3% for the third and fourth quarters of 2006, respectively. This compares to 1.3% monthly revenue churn for the fourth quarter of 2005. The Company expects to experience ongoing churn, including disconnects from carrier customers related to their merger activities and network grooming. In the current quarter the Company experienced a \$1.3 million reduction in revenue from a wireless carrier from the prior quarter, primarily related to its earlier consolidation. The Company expects the balance of this carrier's disconnects related to consolidation to be completed in the first half of 2007.

M-EBITDA and Margins

M-EBITDA grew \$9.6 million to \$80.2 million for the fourth quarter of 2006, a 14% increase over the same period last year. The increase in M-EBITDA primarily reflects the impact of the acquired operations and strong revenue growth. Included in M-EBITDA was \$1.9 million of integration costs in the current quarter, and none in the same period last year. Operating costs increased primarily due to revenue growth and further investments in the business such as expansion of the IP backbone. Selling, general and administrative costs ("SG&A") remained stable in relation to total revenue between periods, but increased over the same period last year due to increases in headcount, higher commissions and acquisition costs.

Excluded from M-EBITDA, but included in operating and SG&A costs is non-cash stock-based compensation expense under SFAS 123R, which was adopted in the first quarter of 2006. Operating and SG&A costs include \$.6 million and \$3.2 million, respectively, for non-cash stock-based compensation expense in the current quarter which was not recognized in the prior year.

M-EBITDA margin was 34% for the quarter as compared to 38% for the same quarter last year. Modified gross margin¹⁰ was 59% for the current quarter compared to 66% for the same period last year. The difference in margins between periods primarily reflects the impact of integration costs for the Xspedius acquisition and two months of acquired operations, as well as normal fluctuations in revenue and costs. The Company utilizes a fully burdened modified gross margin, including network costs, and personnel costs for customer care, provisioning, network maintenance, technical field and network operations, excluding non-cash stock-based compensation expense.

Net Loss

The Company's net loss was \$24.8 million, a loss of \$.18 per share for the current quarter compared to a net loss of \$22.3 million, a loss of \$.19 per share for the fourth quarter of 2005. Excluding the non-cash stock-based compensation expense and debt extinguishment costs, the net loss narrowed to a loss of \$.07 per share for the current quarter as compared to a loss of \$.14 per share for the same period last year, reflecting strong M-EBITDA growth as well as significant net interest savings due to refinancing events.

Sequential Results – Fourth Quarter 2006 compared to Third Quarter 2006

Revenue

Revenue for the quarter was \$238.8 million, as compared to \$196.1 million for the third quarter of 2006, an increase of \$42.7 million sequentially. Revenue from core operations was \$201.6 million and represented a 3% growth over the prior quarter. The primary components of the change in revenue included:

- \$33.8 million increase in revenue from enterprise customers, which included the impact of the acquired operations and \$6.2 million sequential increase for core operations
- \$6.2 million increase in revenue from carrier customers, which included the impact of the acquired operations and a \$1.6 million decrease from core operations

By product line, the percentage change in revenue sequentially was as follows:

- 16% increase for data and Internet services, which included the impact of the acquired operations and strong organic growth. Core operations included 8% organic growth due primarily to success with Ethernet and IP-based product sales
- 49% increase for voice services which included the impact of the acquired operations and strong organic growth. Core operations included 2% organic growth due primarily to growth in bundled voice products
- 10% increase in Network services due to the impact of acquired operations. Core operations included a 1% decrease

M-EBITDA and Margins

M-EBITDA grew \$9.0 million to \$80.2 million for the fourth quarter of 2006, a 13% increase sequentially. The increase in M-EBITDA primarily reflects the impact of the acquired operations and strong revenue growth. Included in M-EBITDA was \$1.9 million of integration costs in the current quarter and \$.8 million in the prior quarter.

M-EBITDA margin was 34% for the quarter, as compared to 36% reported in the third quarter of 2006. Modified gross margin was 59% for the quarter as compared to 63% in the third quarter. The difference in margins between periods primarily reflects the impact of integration costs for the Xspedius acquisition and two months of acquired operations.

Net Loss

The Company's net loss was \$24.8 million, a loss of \$.18 per share for the quarter compared to a net loss of \$11.3 million, a loss of \$.09 per share for the prior quarter. Excluding the non-cash stock-based compensation expense and debt extinguishment costs, the loss was \$.07 per share for the current quarter as compared to a loss of \$.06 per share for the prior quarter, reflecting strong M-EBITDA growth as well as increased interest costs for the additional debt drawn to fund the Xspedius acquisition.

Full year 2006 results compared to 2005 results

For the year 2006, the Company reported revenue of \$812.4 million, M-EBITDA of \$286.0 million, and a net loss of \$98.8 million. For the year 2006, the Company:

- Grew total revenue \$103.6 million or 15% for the year, which included the impact of the acquired operations and strong organic growth from core operations
--Included 9% organic growth
- Grew data and Internet revenue by 33% for the year, which included the impact of the acquired operations and strong organic growth from core operations
--Included 30% organic growth
- Increased M-EBITDA by 14%, primarily due to increased sales, which included the impact of the acquired operations and strong organic growth from core operations
- Completed refinancing of \$1.1 billion of debt and redeemed \$640 million of senior notes and \$199 million of term loan indebtedness, improving the effective interest costs. Moved the nearest scheduled debt maturity to 2013, excluding minimal annual amortization of the secured term loan
- Achieved modified gross margin of 62% and M-EBITDA margin of 35%
- Achieved \$15.2 million of levered free cash flow

Capital Expenditures

Capital expenditures were \$55.8 million for the fourth quarter, which included \$3.5 million of investments made for integration of the acquired operations. Capital expenditures for the year ending December 31, 2006, were \$192.7 million compared to \$162.5 million for the same period last year. Capital expenditures for core operations were \$187.0 million for the current year. For 2007, the Company expects capital expenditures to be approximately \$250 to \$275 million, which will primarily be used to fund growth opportunities, and also includes \$20 to \$25 million for integration investments.

Summary

“We delivered impressive organic growth in 2006, at the same time we executed significant strategic events including completion of a valuable acquisition, acceleration of free cash flow through accretive refinancing activities and elimination of our super voting stock,” said Herda. “All of our actions are focused on continuing to strengthen our differentiated market position and to enable us to grow long term shareholder value.”

Time Warner Telecom Inc. plans to conduct a webcast conference call to discuss its earnings results on February 7 at 9:00 a.m. MST (11:00 a.m. EST). To access the webcast and the financial and statistical information to be discussed in the webcast, visit www.twtelecom.com under “Investor Relations.”

- ⁽¹⁾ The Company uses a modified definition of EBITDA to eliminate certain non-cash and non-operating income or charges to earnings to enhance the comparability of its financial performance from period to period. Modified EBITDA (or "M-EBITDA") is defined as net income or loss before depreciation, amortization, accretion, asset impairment charge, interest expense, debt extinguishment costs, interest income, investment gains and losses, income tax expense or benefit, cumulative effect of change in accounting principle, and, beginning the first quarter of 2006, non-cash stock-based compensation expense. (See a discussion below of Modified EBITDA under "Financial Measures".)
- ⁽²⁾ Organic growth is defined as results from the Company's operations excluding the impact of acquired operations of Xspedius since October 31, 2006 and the related integration costs.
- ⁽³⁾ Core operations are defined as the Company's operations excluding the results from the acquired operations of Xspedius since October 31, 2006 and the related integration costs.
- ⁽⁴⁾ Acquired Operations are defined as the results of the Xspedius acquisition since October 31, 2006 and the related integration costs.
- ⁽⁵⁾ The Company defines un-levered free cash flow as Modified EBITDA less capital expenditures. Un-levered free cash flow is reconciled to Net Cash provided by (used in) operating activities in the supplemental information posted on the Company's website.
- ⁽⁶⁾ The Company defines levered free cash flow as Modified EBITDA less capital expenditures and net interest expense from operations (but excludes debt extinguishment costs). Levered free cash flow is reconciled to Net Cash provided by (used in) operating activities in the supplemental information posted on the Company's website.
- ⁽⁷⁾ Data and Internet services include services that enable customers to connect their internal computer networks and to access external networks, including Internet at high speeds using Ethernet protocol. Services include metro and wide area Ethernet, virtual private network solutions and Internet access.
- ⁽⁸⁾ Voice services contain traditional and next generation voice capabilities, including voice services from stand alone and bundled products, long distance, 800 services, and VoIP.
- ⁽⁹⁾ Network services include transmission speeds up to OC 192 to carrier and enterprise customers. These services transmit voice, data, image, storage and video, using state-of-the-art fiber optics.
- ⁽¹⁰⁾ The Company defines modified gross margin as Total Revenue less operating costs excluding non-cash stock-based compensation expense under SFAS 123R. Modified gross margin is reconciled to gross margin in the financial tables.

Financial Measures

The Company provides financial measures using generally accepted accounting principles ("GAAP") as well as adjustments to GAAP measures to describe its business trends, including Modified EBITDA. Management believes that its definition of Modified EBITDA (see above) is a standard measure of operating performance and liquidity that is commonly reported and widely used by analysts, investors, and other interested parties in the telecommunications industry because it eliminates many differences in financial, capitalization, and tax structures, as well as non-cash and non-operating income or charges to earnings. Modified EBITDA is not intended to replace operating income (loss), net income (loss), cash flow; and other measures of financial performance and liquidity reported in accordance with GAAP. Management uses Modified EBITDA internally to assess on-going operations and it is the basis for various financial covenants contained in the Company's debt agreements. Modified EBITDA is reconciled to Net Loss, the most comparable GAAP measure to Modified EBITDA, within the Consolidated Operations Highlights and in the supplemental information posted on the Company's website. In addition, management uses unlevered and levered free cash flow, which measure the ability of M-EBITDA to cover capital expenditures. The Company uses these cash flow definitions to eliminate certain non-cash costs. Levered and unlevered free cash flow are reconciled to Net Cash

provided by (used in) operating activities in the supplemental information posted on the Company's website.

The Company also provides an adjustment to the measure gross margin by eliminating the impact of non-cash stock-based compensation expense related to the adoption of SFAS 123R. Management uses modified gross margin internally to assess on-going operations. Modified gross margin is reconciled to gross margin in the Consolidated Operations Highlights.

Forward Looking Statements

The statements in this press release concerning the outlook for 2007 and beyond, including expansion plans, growth prospects, expected margins, sales activity, expected customer disconnections, integration activities and results and expected capital expenditures are forward-looking statements that reflect management's views with respect to future events and financial performance. These statements are based on management's current expectations and are subject to risks and uncertainties. Important factors that could cause actual results to differ materially from those in the forward looking Statements include the risks summarized in the Company's filings with the SEC, especially the section entitled "Risk Factors" in its 2005 Annual Report on Form 10-K. Time Warner Telecom undertakes no obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

About Time Warner Telecom

Time Warner Telecom Inc., headquartered in Littleton, Colo., provides managed network services, specializing in Ethernet and transport data networking, Internet access, local and long distance voice, VoIP and security, to enterprise organizations and communications services companies throughout the U.S. As a leading provider of integrated and converged network solutions, Time Warner Telecom delivers customers overall economic value, quality service, and improved business productivity. Please visit www.twtelecom.com for more information.

Time Warner Telecom Inc. Consolidated Operations Highlights

(Dollars in thousands)

Unaudited (1)

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2006	2005	Growth %	2006	2005	Growth %
Revenue						
Network services (formerly dedicated transport) (2)	\$95,892	585,466	12%	5355,996	5341,779	4%
Data and Internet services	62,849	44,752	40%	216,419	162,834	33%
Voice services (formerly switched services) (2)	68,457	43,267	58%	201,968	166,806	21%
Service Revenue	227,198	173,487	31%	774,383	671,421	15%
Inter-carrier compensation (3)	11,583	11,032	5%	37,992	37,305	2%
Total Revenue	238,781	164,519	29%	812,375	706,727	15%
Expenses						
Operating costs (4)	98,085	62,598		311,632	264,517	
Gross Margin	140,696	121,921		500,843	444,210	
Selling, general and administrative costs (4)	64,300	51,289		228,485	193,052	
Depreciation, amortization and accretion	71,567	61,907		256,091	238,180	
operating income	4,629	6,725		16,267	12,976	
Interest expense	(23,317)	(29,778)		(98,238)	(120,219)	
Debt extinguishment costs	(11,097)	(5,470)		(36,874)	(14,043)	
interest income	4,811	4,117		20,054	13,220	
Loss before income taxes	(24,774)	(22,406)		(98,791)	(108,064)	
income tax expense (benefit)	21	(150)		28		
Net Loss	(\$24,795)	(\$22,256)		(598,819)	(\$106,064)	

SUPPLEMENTAL INFORMATION TO RECONCILE MODIFIED GROSS MARGIN AND MODIFIED EBITDA

Gross Margin	\$140,696	5121,921		5500,843	\$444,210	
Add back non-cash stock-based compensation expense	603			2,075		
Modified Gross Margin	141,299	121,921	16%	502,918	444,210	13%
Selling, general and administrative costs	64,300	51,289		228,465	193,062	
Add back non-cash stock-based compensation expense	3,246			11,590		
Modified EBITDA	80,245	70,632	74%	286,023	251,158	14%
Non-cash stock-based compensation expense	3,649			13,665		
Depreciation, amortization and accretion	71,667	61,907		256,091	238,160	
Net Interest expense	18,506	25,661		76,184	106,999	
Debt extinguishment costs	11,097	5,470		36,874	14,043	
Income tax expense	21	(150)		28		
Net Loss	(124,795)	(\$22,256)		(\$98,819)	(\$108,064)	
Modified Gross Margin %	59%	66%		62%	63%	
Modified EBITDA Margin %	34%	38%		35%	35%	

Free Cash Flow:					
Modified EBITDA	\$80,245	\$70,632	5286,023	\$251,158	
Less: Capital Expenditures	55,805	41,053	192,679	162,521	
Unlevered Free Cash Flow	24,440	29,579	93,344	88,637	
Less: Net interest expense	18,506	25,661	78,184	106,999	
Levered Free Cash Flow	\$5,934	\$3,918	\$15,160	(\$18,362)	

Integration Costs (5)					
Operating costs & Selling, General and Administrative COED	52,010		52,629		
Capital Expenditures	3,511		3,511		
Total	15,521		\$6,340		

(1) For complete financials and related footnotes, please refer to the Company's SEC filings.

(2) The Company modified the name of its revenue categories in order to provide further clarity in the first quarter of 2006. This change reflects only a change in title and is consistent with reporting in prior periods. Please see the footnotes of the press release for a further description.

(3) Inter-carrier Compensation includes switched access and reciprocal compensation.

(4) The Company adopted SFAS 123R effective January 1, 2006 for non-cash Stock-based compensation.

(5) Represents costs to integrate the acquired operations. All amounts are included in the reported results above.

Time Warner Telecom Inc.

Consolidated Operations Highlights

(Dollars in thousands)

Unaudited (1)

	Three Months Ended		
	December 31, 2006	September 30, 2006	Growth %
Revenue			
Network services (formerly dedicatedtransport) (2)	\$95.892	\$87.312	10%
Data and Internet services	62.849	53.995	16%
Voice services (formerlyswitched services) (2)	68.457	45.932	49%
Service Revenue	227.198	187,239	21%
Intercarrier compensation (3)	11.583	8.870	31%
Total Revenue	238.781	196,109	22%
Expenses			
Operating costs (4)	98,085	74.018	
Gross Margin	140.696	122.091	
Selling, general and administrative costs (4)	64,300	54,409	
Depreciation, amortization and accretion	71,567	62.028	
Operating Income	4,829	5,654	
Interest expense	(23,317)	(21.759)	
Debt extinguishment costs	(11.097)		
Interest income	4.811	4.754	
Loss before income taxes	(24.774)	(11,351)	
Income tax expense			
Net Loss	(524.795)	(511.3511	
SUPPLEMENTAL INFORMATION TO RECONCILE MODIFIED GROSS MARGIN AND MODIFIED EBITDA			
Gross Margin	5140,696	\$122.091	
Add back non-cash stock-based compensation expense	603	491	
Modified Gross Margin	141,299	122,582	15%
Selling, general and administrative costs	64.300	54.409	
Add back non-cash stock-based compensation expense	3.246	3.026	
Modified EBITDA	80.245	71,199	13%
Non-cash stock-based compensation expense	3,849	3,517	
Depreciation, amortization and accretion	71.567	62,028	
Net Interest expense	18,506	17,005	
Debt extinguishment cost	11,097		
income tax expense	21		
Net Loss	(\$24,795)	(\$11.351)	
Modified Gross Margin %	59%	63%	
Modified EBITDA Margin %	34%	36%	
Free Cash Flow			
Modified EBITDA	\$80.245	\$71.199	
Less: Capital Expenditures	55.805	48.171	
Unlevered Free Cash Flow	24,440	23,028	
Less: Net interest expense	18.506	17.005	
Levered Free Cash Flow	\$5,934	\$6,023	
Integration Costs (5)			
Operating costs and Selling, General and Administrative costs	\$2,010		
Capital Expenditures	3.511		
Total	\$5,521		

(1) For complete financials and related footnotes, please refer to the Company's SEC filings.

(2) The Company modified the name of its revenue categories in order to provide further clarity in the first quarter of 2006. This change reflects only a change in title and is consistent With reporting in prior periods. Please see the footnotes of the press release for a further description.

(3) Intercarrier Compensation includes Switched access and reciprocal compensation.

(4) The Company adopted SFAS 123R effective January 1, 2006 for non-cash stock-based compensation.

(5) Represents costs to integrate the acquired operations. All amounts are included in the reported results above.

Time Warner Telecom Inc.
Highlights of Results Per Share
 Unaudited (1) (2) (3)

	Three Months Ended		
	12/31/06	9/30/06	12/31/05
Weighted Average Shares Outstanding (thousands)			
Basic and Diluted	<u>136,182</u>	<u>121,659</u>	<u>116,915</u>
Basic and Diluted Loss per Common Share			
Loss per share before debt extinguishment costs and non-cash stock-based compensation expense	<u>(\$0.07)</u>	<u>(\$0.06)</u>	<u>(0.14)</u>
Impact of debt extinguishment costs	(0.08)		(0.05)
Impact of non-cash stock-based compensation expense	<u>(0.03)</u>	<u>(0.03)</u>	<u></u>
As Reported	<u>(\$0.18)</u>	<u>(\$0.09)</u>	<u>(\$0.19)</u>
Common shares (thousands)			
Actual Shares Outstanding	<u>12/31/06</u>	<u>As of 9/30/06</u>	<u>12/31/05</u>
	<u>142,815</u>	<u>122,823</u>	<u>117,382</u>
Options (thousands)			
Options Outstanding	<u>13,738</u>	<u>14,336</u>	<u>19,512</u>
Options Exercisable	<u>8,977</u>	<u>9,843</u>	<u>13,158</u>
Options Exercisable and In-the-Money	<u>4,526</u>	<u>5,355</u>	<u>4,022</u>

(1) For complete financials and related footnotes, please refer to the Company's SEC filings.

(2) As of December 31, 2006 only Class A common shares remain outstanding.

(3) Stock Options, restricted Stock units and convertible debt subject to conversion were excluded from the computation of weighted average shares outstanding because their inclusion would be anti-dilutive.

Time Warner Telecom Inc.
Condensed Consolidated Balance Sheet Highlights
(Dollars in thousands)
Unaudited (1)

	December 31, 2006	September 30, 2006	December 31, 2005
ASSETS			
Cash and equivalents, and short-term investments	5309,453	\$345,121	\$393,523
Receivables	87,105	65,629	56,535
Less: allowance	(13,182)	(7,395)	(10,936)
Net receivables	73,923	58,234	47,599
Other Current assets	31,297	27,519	28,251
Property, plant and equipment	2,771,631	2,601,746	2,480,113
Less: accumulated depreciation	(1,477,519)	(1,422,315)	(1,253,163)
Net property, plant and equipment	1,294,112	1,179,431	1,226,950
Other Assets	544,452	109,251	96,213
Total	\$2,253,237	\$1,719,556	\$1,792,536
LIABILITIES AND STOCKHOLDERS EQUITY			
Current Liabilities			
Accounts payable	541,388	\$36,306	534,787
Deferred revenue	22,582	18,622	20,478
Accrued taxes, franchise and other fees	76,795	57,289	60,667
Accrued interest	16,984	13,737	35,211
Accrued payroll and benefits	34,688	37,017	28,757
Current portion of debt and lease obligations	6,679	3,038	4,211
Other current liabilities	63,390	75,094	72,113
Total current liabilities	284,506	241,103	256,244
Long-Term Debt and Capital Lease Obligations			
Floating rate senior secured debt - Term Loan B due 11/1/2013	600,000		
Floating rate senior secured debt - Term Loan B due 11/30/2010 (2)		198,500	200,000
Floating rate senior secured notes, due 2/15/2011 (3)		240,000	240,000
10 118% senior unsecured notes, due 2/11/2011 (4)			400,000
9 114% senior unsecured notes, due 2/15/2014	400,396	400,410	400,451
2 318% convertible senior debentures, due 4/11/2026	373,750	373,750	
Capital lease obligations	8,491	8,919	10,122
Less: current portion	(6,679)	(3,036)	(4,211)
Total long-term debt and capital lease obligations	1,375,958	1,218,541	1,246,362
Long-term Deferred Revenue	20,357	18,226	16,937
Other Long-Term Liabilities	19,768	9,083	8,479
Stockholders' Equity	552,648	232,603	264,514
Total	\$2,253,237	\$1,719,556	\$1,792,536

(1) For complete financials and related footnotes, please refer to the Company's SEC filings

(2) This debt was refinanced on October 6, 2006.

(3) These notes were fully redeemed on November 6, 2006.

(4) These notes were fully redeemed on May 1, 2006.

Time Warner Telecom Inc.

Consolidated Statements of Cash Flows

(Dollars in thousands)

Unaudited (1)

	Three Months Ended		Year Ended
	12131106	9130106	12131106
Cash flows from operating activities:			
Net Loss	(\$24,795)	(\$11,351)	(\$98,819)
Adjustments to reconcile net loss to net Cash provided by operating activities			
Depreciation, amortization, and accretion	71,567	82,028	256,091
Stock-based compensation	3,849	3,517	13,665
Other	131		131
Deferred debt issue, extinguishment costs and premium on debt	11,861	779	40,032
Changes in Operating assets and liabilities:			
Receivables and prepaid expense	(928)	(9,915)	(18,161)
Accounts payable, deferred revenue, and other liabilities	2,713	4,943	(18,381)
Net cash provided by operating activities	64,198	50,001	174,558
Cash flows from investing activities:			
Capital expenditures	(55,774)	(48,171)	(192,269)
Cash paid for acquisitions, net of cash acquired	(212,418)		(212,416)
Purchases of investments	(87,312)	(59,845)	(425,671)
Proceeds from maturities of Investments	106,693	153,116	528,201
Proceeds from sale of assets and other investing activities	1,216	(89)	1,232
Net cash provided by (used in) investing activities	(247,593)	45,311	(300,923)
Cash flows from financing activities:			
Net proceeds from issuance of common stock upon exercise of stock options and in connection With the employee purchase plan	14,107	14,108	46,404
Net proceeds from issuance of debt	595,507	(73)	957,800
Retirement of debt obligations	(443,300)		(863,552)
Payment of debt and capital lease obligations	(487)	(1,052)	(3,568)
Net cash provided by (used in) financing activities	165,827	12,983	137,084
Increase (decrease) in Cash and Cash equivalents	(17,568)	108,295	10,719
Cash and cash equivalents at the beginning of the period	239,121	130,026	210,834
Cash and cash equivalents at the end of the period	5221,553	5239,121	221,553
Supplemental disclosures of Cash flow information:			
Cash paid for interest	\$20,049	528,700	\$115,604
Cash paid for debt extinguishment costs	\$4,800		\$25,052
Addition of capital lease obligation	\$31		\$410
Summary of Cash and equivalents and short-term investments:			
Cash and cash equivalents at end of the period	5221,553	\$239,121	\$221,553
Investments	87,900	106,000	87,900
	\$309,453	5345,121	5309,453
Supplemental information to reconcile capital expenditures:			
Capital expenditures per cash flow Statement	\$55,774	\$48,171	\$192,269
Addition of capital lease Obligation	31	-	410
Total capital expenditures	\$55,805	\$48,171	\$192,679

(1) For complete financials and related footnotes, please refer to the Company's SEC filings

Time Warner Telecom Inc.
Selected Operating Statistics
Unaudited (1)

	<i>Quarter Ended</i>							
	2005				2006			
	Mar. 31	Jun. 30	Sept. 30	Dec. 31	Mar. 31	Jun. 30	Sept. 30	Dec. 31
<u>Operating Metrics:</u>								
Route Miles								
Metro	12,835	13,053	13,427	13,589	13,913	14,053	14,409	17,786
Regional	<u>7,015</u>	<u>7,015</u>	<u>7,015</u>	<u>7,015</u>	<u>7,015</u>	<u>7,015</u>	<u>7,015</u>	<u>6,884</u>
Total	19,850	20,068	20,442	20,604	20,928	21,068	21,424	24,670
Buildings (2)								
Fiber connected buildings (on-net)	5,281	5,501	5,752	5,982	6,185	6,433	6,672	7,457
Type II (4)				<u>16,246</u>	<u>16,865</u>			
Total	19,857	20,558	21,333	22,228	23,050	24,056	25,027	26,410
Networks								
Class 5 Switches	39	39	38	38	38	38	38	71
Soft Switches	20	26	32	34	34	35	35	35
Headcount								
Total Headcount	2,019	2,029	2,022	2,034	2,055	2,105	2,129	2,784
Sales Associates (3)	317	312	312	318	330	331	342	482
Customers								
Total Customers	10,740	11,088	11,439	11,634	12,181	12,642	13,081	31,516

(1) For complete financials and related footnotes, please refer to the Company's SEC filings.

(2) Fiber connected buildings (e.g. "on-net") represents customer locations to which the Company's fiber network is directly connected. Type II buildings are carried on the Company's fiber network, including the Company's switch for voice services, with a leased service from the Company's distribution ring to the customer location.

(3) Includes Sales Account Executives and Customer Care Specialists.

(4) Excludes Type II buildings for acquired operations in the quarter ended December 31, 2006.

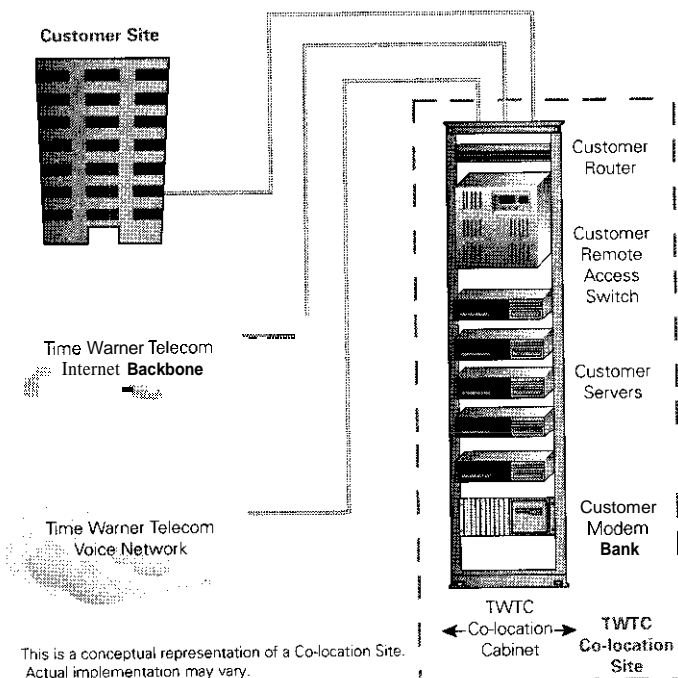
CO-LOCATION SERVICE

Do you want to expand into new markets but can't afford the extra time and money?
Does your network receive so much traffic that it slows down to a crawl?
Do you have a back-up plan in place if something goes wrong with your network?

Time Warner Telecom's Co-Location Service solves these problems and delivers more. Our Co-Location Service supports your expanding network needs with a secure, redundant environment and provides dedicated space for your equipment and storage of your information. We give you a gateway to the industry's most robust local and regional optical networks, allowing you to take advantage of the best infrastructure and support capabilities available.

When you purchase any of Time Warner Telecom's valuable services (including Dedicated Internet Access, Storage Transport, Private Line, Native LAN and ISDN PRI) our Co-Location Service can become the ideal back-up site for you to store your data.

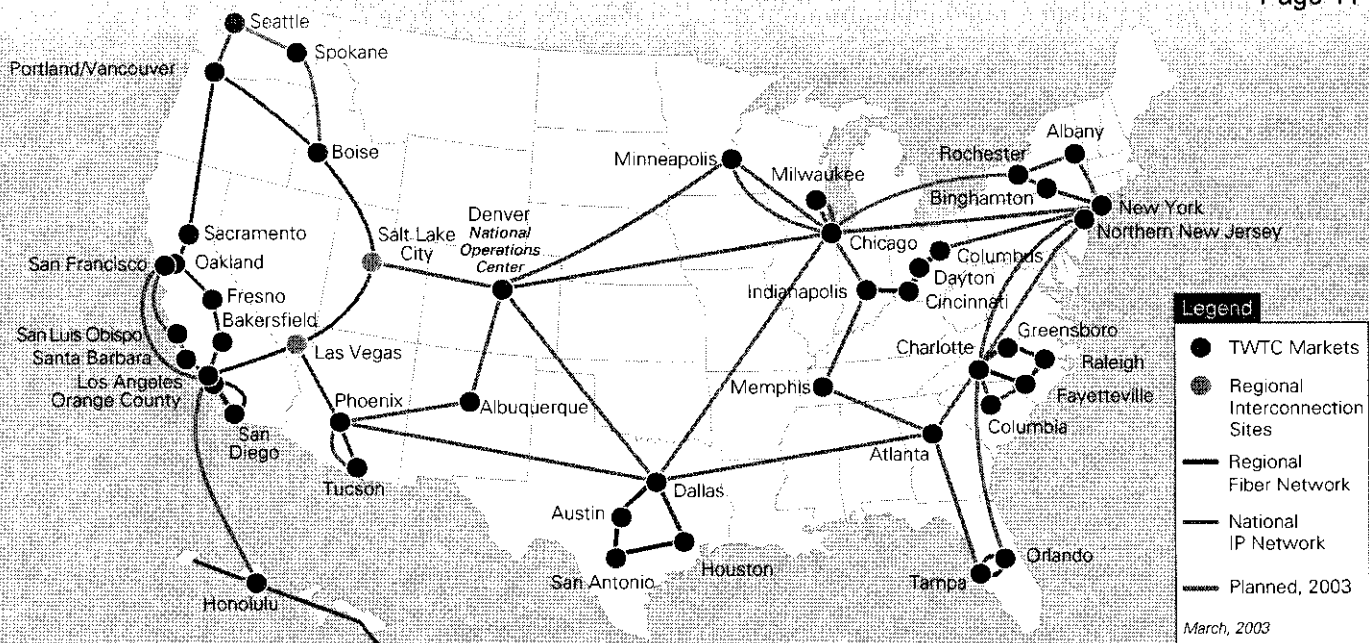
Time Warner Telecom's Co-location sites have secured access, redundant power supplies, dual HVAC, fire detection systems, and 24 x7 network monitoring. We offer flexible space options including open racks, lockable cabinets, and caged



TIME WARNER TELECOM CUSTOMER SITE
AND CO-LOCATION CABINET

floor space. *Rack and cabinet space is set-up to support 19" and 23" equipment. Our space is conditioned with AC and DC power options to meet your power requirements.

Take advantage of our robust national network and premier customer service for a fraction of the cost of building your



own site. You can have a single physical location with a virtual presence in any market Time Warner Telecom serves. Time Warner Telecom's skilled, local technicians are available to assist you at any time and will work with you to design a solution that fits your needs.

TIME WARNER TELECOM CO-LOCATION SERVICE OFFERS:

- Dedicated Co-location Space
- Locations across the nation
- Climate-controlled environment
- Redundant power supplies
- Secured access

TIME WARNER TELECOM CO-LOCATION SERVICE BENEFITS:

- No building to buy
- No employees to hire
- Presence in as many markets as you need
- Expanded network
- Reliable back-up site for your data storage

"Rack, cabinet, and/or cage options may vary by market. Additional charges may apply for power, maintenance service, space designs, and technical support."

ABOUT TIME: WARNER TELECOM

Time Warner Telecom is the leading provider of metro-area broadband optical networks and services to businesses. We deliver "last-mile" broadband data, voice, Dedicated Internet Access, and Dedicated Web Hosting in 44 major U.S. markets. Our strong financial position allows us to deliver powerful networks, robust products, and superior customer care to meet your needs. We're the power driving your network.

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News Release

Verizon and MCI Close Merger, Creating a Stronger Competitor for Advanced Communications **Services**

New Unit -- **Verizon** Business -- Serves Business and Government Customers

January 6, 2006

Media Contact:
[Peter Thonis](#), 212-395-2355

NEW YORK - Verizon Communications Inc. (NYSE:VZ) and MCI, Inc. today closed on their merger, enhancing Verizon's ability to deliver the benefits of converged communications, information and entertainment to customers across the country and around the world.

"This milestone for Verizon creates a new competitive force with the power of the global MCI network and the reach of Verizon's broadband and wireless networks in the U.S.," said Verizon Chairman and CEO Ivan Seidenberg. "Our added network capabilities and strong customer relationships provide a solid foundation for innovative and integrated wireless, wireline and multimedia services designed to meet customer demands for speed, mobility and control."

Seidenberg added, "Our strategy is to be a customer-focused leader in consumer broadband and video, as well as business and government services, in both the ~~landline~~ and wireless environments. We believe that our superior networks are the basis for innovation and competitive advantage in communications. The combination of our world-class wireless and broadband access networks with the leading global IP (Internet protocol) backbone will allow us to deliver the highest quality end-to-end experience for our customers."

Following the merger, Verizon, which continues to be based in New York, has approximately \$90 billion in annual total consolidated operating revenues and approximately 250,000 employees, serving customers in 150 countries.

New Unit Named 'Verizon Business'

Verizon Business is the name of the new Verizon business unit encompassing business and government customers and related functions of the former MCI as well as similar businesses that previously were part of Domestic Telecom, including the former Verizon Enterprise Solutions Group.

Verizon now operates three network-based businesses: Verizon Business; Verizon Wireless, operator of America's most reliable wireless network; and

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Verizon's landline segment, which is deploying the most advanced wireline broadband and video network in America today.

Verizon Business serves medium and large businesses and government customers, and it will announce details of new products and services later this month.

This new business segment boasts a highly trained and experienced force of sales and service professionals deployed in hundreds of sales offices around the world. It owns and operates an end-to-end, global IP network spanning more than 100,000 miles, providing next-generation IP network services to medium and large businesses and government customers.

As previously announced, John Killian has been named president of this new unit, and his leadership team executives have been overseeing integration planning for their respective functions since October.

"We have the team in place to hit the ground running and offer Verizon Business customers greater value from Day One," said Killian. "We believe that our strong commitment to customers and our integrated product offerings will deliver the most advanced business communications solutions and best customer experience available in today's marketplace."

While further details about Verizon Business will be announced at the upcoming market launch, Verizon will continue to build on the success of its "master brand" strategy.

Other segments of the former MCI are being combined with similar existing functions in Verizon. For example, the MCI Foundation will be part of the Verizon Foundation.

Transaction Details

The merger was announced on Feb. 14, 2005, and received the required state, federal and international regulatory approvals by year-end 2005. Verizon and MCI have been engaged in integration planning since the merger was approved by MCI shareholders on Oct. 6, 2005.

Under terms of the merger agreement, MCI shareholders will receive 0.5743 shares of Verizon and cash for each of their MCI shares. Verizon elected to make a supplemental cash payment of \$2.738 per MCI share (or \$779 million in the aggregate), rather than issue additional shares of Verizon, so that the merger consideration was equal to at least \$20.40 per share of MCI. The parties mutually agreed that there would be no purchase price adjustment related to the amount of certain MCI liabilities.

The merger was also structured as a tax-free reorganization, and generally MCI shareholders will be taxed only to the extent of a previously paid special dividend and the supplemental cash payment.

MCI shareholders holding certificates will very shortly receive information about how to exchange their shares. MCI shareholders who hold their shares in book entry or through a broker will have their shares automatically exchanged for Verizon shares and cash. Verizon shareholders need not take any action.

Verizon's Leadership Team

Verizon's top management team and Board of Directors remain unchanged.

Michael Capellas, former president and CEO of MCI, has announced that he is leaving the business now that the merger has been completed.

Seidenberg said, "Michael's work in transforming MCI over these past few years has been extraordinary. He has been a great leader, and he leaves a legacy as an architect of one of the world's great, next-generation communications companies -- a strong competitive force focused on customer innovation."

Verizon Communications Inc. (NYSE:VZ), a Dow 30 company, is a leader in delivering broadband and other communication innovations to wireline and wireless customers. Verizon operates America's most reliable wireless network, serving 49.3 million customers nationwide; one of the most expansive wholly-owned global IP networks; and one of the nation's premier wireline networks, serving home, business and wholesale customers. Based in New York, Verizon has a diverse workforce of approximately 250,000 and generates annual consolidated operating revenues of approximately \$90 billion. For more information, visit www.verizon.com.

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NOTE: This press release contains statements about expected future events and financial results that are forward-looking and subject to risks and uncertainties. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. The following important factors could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements: materially adverse changes in economic and industry conditions and labor matters, including workforce levels and labor negotiations, and any resulting financial and/or operational impact, in the markets served by us or by companies in which we have substantial investments; material changes in available technology; technology substitution; an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations; the final results of federal and state regulatory proceedings concerning our provision of retail and wholesale services and judicial review of those results; the effects of competition in our markets; the timing, scope and financial impacts of our deployment of fiber-to-the-premises broadband technology; the ability of Verizon Wireless to continue to obtain sufficient spectrum resources; changes in our accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings; and the extent and timing of our ability to obtain revenue enhancements and cost savings following our business combination with MCI, Inc.